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USDOC FOR 532/OEA/M. NICKSON-D/JAY HATFIELD
USDOC FOR 3131/USFCS/OIO/ANESA/KREISL
USDOC FOR 4530/MAC/ANESA/OSA
ICE HQ FOR STRATEGIC INVESTIGATIONS
STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: BEXP ETRD ETTC IN

SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION: MAHINDRA & MAHINDRA LIMITED.

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

¶2. On May 20, 2008, Export Control Officer (ECO) Paul Cushman and BIS FSN Shailendra Srivastava conducted three Post-Shipment Verifications (PSV) at Mahindra & Mahindra Limited in Mumbai.

¶3. BIS had requested two PSVs at Mahindra & Mahindra Limited (M&M), Automotive Sector, Mumbai. M&M was listed as the ultimate consignee for two Quest 51 Super Precision Lathes manufactured by Hardinge Inc. of Elmira, New York. Export Licenses: D355830 and D355831. ECCN: 2B001.

¶4. ECO and FSN Srivastava met with Mr. Prakash Shimpi, Vice President, Mr. Ramanand Prabhu, General Manager - Asset Management, Mr. Harshad Parulekar, Manager - Capital Purchase and Mr. Girish Nair, Manager.

¶5. M&M representatives were not aware of BIS regulations and this was the first visit by BIS officials to their facility. Prabhu explained that the lathes are used to machine various engine and drive train components.

¶6. After the meeting, the BIS team was given a tour of the M&M factory. ECO physically verified the Quest 51 Super Precision Lathe serial numbers as QC-797 and QC-798. During the tour, ECO spotted a third Quest 51 Super Precision Lathe. ECO had not been tasked to perform a PSV on this lathe but decided to do so in order to determine whether it had been exported from the United States legally. Its serial number was recorded as QC-931. Upon request, Prabhu provided copies of documents pertaining to this transaction including the M&M Purchase Order (03/03/2007), Hardinge Commercial Invoice (10/17/2007), Bill of Lading (10/17/2007), and a receipt for duties paid to the Indian Customs Authority (11/26/2007). These documents were forwarded to the BIS Office of Enforcement Analysis on May 29, 2008.

¶8. Established in 1945, Mahindra & Mahindra Limited is India's largest manufacturer of general purpose utility vehicles and manufactures tractors and light commercial vehicles as well. M&M, in a joint venture with Navistar USA, is currently building what will be Asia's largest automotive assembly plant. The plant, located in Pune, will produce 700,000 vehicles per year.

¶9. Recommendation: Request BIS Office of Enforcement Analysis conduct research to determine if an Export License was granted to Hardinge Inc. for the third Quest 51 Super Precision Lathe imported by Mahindra & Mahindra Limited.

MULFORD